



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0161	<b>Title:</b>	Establish the Blackfeet-Montana Water Compact
<b>Primary Sponsor:</b>	Augare, Shannon	<b>Status:</b>	As Introduced

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Significant Local Gov Impact                | <input type="checkbox"/> Needs to be included in HB 2             | <input type="checkbox"/> Technical Concerns              |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>					
General Fund	\$0	\$4,100,717	\$57,008	\$71,456	\$59,893
State Special Revenue	\$0	\$4,000,000	\$3,348	\$0	\$0
<b>Revenue:</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue (Transfer)	\$0	\$4,000,000	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>(\$4,100,717)</u>	<u>(\$57,008)</u>	<u>(\$71,456)</u>	<u>(\$59,893)</u>

**Description of fiscal impact:** In the 2011 biennium, \$4 million will be transferred from the general fund to the Blackfeet Water Infrastructure Account created in 85-20-1505, MCA, as part of a total \$20 million state cost share for the infrastructure in the water compact. This amount is then appropriated to the Department of Natural Resources and Conservation (DNRC) for the purposes of and subject to the requirements in 85-20-1505, MCA.

### FISCAL ANALYSIS

#### Assumptions:

1. The bill requires \$4 million to be transferred from the general fund to the Blackfeet Water Infrastructure Account in July 2009 (FY 2010).
2. Subsequently, there is \$4 million appropriated to the Department of Natural Resources and Conservation (DNRC) from the account.
3. Interest will be retained within the account. The account will show interest revenue in the next biennium; however, that amount is unknown and not included in this fiscal note.
4. The mailing expenses of notice for the Blackfeet Compact Decree were calculated at \$2 per envelop for 6,512 unique owners in Basins 40F, 40T, 41M, 41L, 41P, 41N, 40G, 40H, 40J, 40I, and 41T for a total of \$13,024 in expenditures for FY 2012.

5. The personal services expenses for one and one-half water commissioners for 6 months per year for a total annual expense of \$40,000 beginning in FY 2010.
6. Operating expenses for the one and one-half water commissioners are estimated to be \$750 beginning in FY 2010.
7. The FY 2010 equipment expense represents the purchase of an automobile for the Water Commissioners.
8. Expenses associated with the state's share of the Blackfeet-Montana Compact Board have not been estimated.
9. Target dates may change based on the requirement that the Compact be ratified by the State, Tribe, Federal Government, and then approved by the Water Court.
10. Upon Congressional approval of the compact, the Water Court is required to advertise the compact in nine newspapers in the Milk River drainage. Depending on when Congress acts, the fiscal impact of advertising could occur between FY 2011 and 2015. For this fiscal note, FY 2011 was used.
11. The estimated cost of advertising in nine newspapers is \$3,348.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	1.50	1.50	1.50	1.50
<b><u>Expenditures:</u></b>				
Personal Services	\$40,000	\$41,000	\$42,025	\$43,076
Operating Expenses	\$4,020,717	\$19,356	\$29,431	\$16,817
Equipment	\$40,000	\$0	\$0	\$0
Transfers	\$4,000,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u><u>\$8,100,717</u></u>	<u><u>\$60,356</u></u>	<u><u>\$71,456</u></u>	<u><u>\$59,893</u></u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$4,100,717	\$57,008	\$71,456	\$59,893
State Special Revenue (02)	<u>\$4,000,000</u>	<u>\$3,348</u>	<u>\$0</u>	<u>\$0</u>
<b>TOTAL Funding of Exp.</b>	<u><u>\$8,100,717</u></u>	<u><u>\$60,356</u></u>	<u><u>\$71,456</u></u>	<u><u>\$59,893</u></u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Rev-Transfer (0)	<u>\$4,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>TOTAL Revenues</b>	<u><u>\$4,000,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$4,100,717)	(\$57,008)	(\$71,456)	(\$59,893)
State Special Revenue (02)	\$0	(\$3,348)	\$0	\$0

**Long-Term Impacts:**

1. The state has committed \$20 million in infrastructure funding for the Blackfeet Water Settlement. The remaining balance for future consideration is \$16 million.
2. DNRC would have to provide one-half of water commissioner expenses on the Blackfeet Reservation.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*